



General Assembly

February Session, 2010

Raised Bill No. 5361

LCO No. 1641

01641_____ET_

Referred to Committee on Energy and Technology

Introduced by:
(ET)

***AN ACT ESTABLISHING A MUNICIPAL AND STATE ENERGY
EFFICIENCY AND IMPROVEMENT PROGRAM.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) For purposes of this
2 section, "municipal and state energy efficiency and improvement
3 program" means the coordinated effort between an electric distribution
4 company and customers operating municipal and state facilities that
5 provides for the development, installation and recovery of energy
6 efficiency equipment and systems at such facilities as approved by the
7 Department of Public Utility Control.

8 (b) Notwithstanding section 16-245m of the general statutes, to
9 facilitate the promotion of energy efficiency and other improved
10 energy end uses and to lower annual energy costs at municipal and
11 state facilities, an electric distribution company, upon application to
12 the department, may offer a municipal and state energy efficiency and
13 improvement program to its municipal and state customers to improve
14 the energy usage profile of such facilities to maximize potential
15 conservation and energy efficiency opportunities. Such program shall
16 establish arrangements between the electric distribution company and

17 such customers that provides for savings for such facilities in energy
18 costs and repayment of the entire cost of the program through a
19 customer-specific facilities charge, provided any such arrangement
20 shall be funded up to one hundred per cent by the electric distribution
21 company. Notwithstanding any provision of the general statutes,
22 customers operating municipal or state facilities may negotiate and
23 enter into arrangements with an electric distribution company in
24 which service territory such facility resides if such arrangements are
25 pursuant to a municipal and state energy efficiency and improvement
26 program developed pursuant to this section. The department shall
27 approve an application for a program not later than sixty days after its
28 submittal. The provisions of section 16-43 of the general statutes shall
29 not apply to this program.

30 (c) The municipal and state energy efficiency and improvement
31 program shall include, but not be limited to, development and
32 installation of energy efficiency measures and equipment, fuel cells,
33 thermal storage, high efficiency boilers and burners, controls and
34 monitoring equipment, renewable or emergency generation, and
35 combined heat and power systems. An electric distribution company
36 shall use local contractors, service companies and installers to assist in
37 the development and installation of technologies at such facilities to
38 the extent practical and economic.

39 (d) An arrangement between an electric distribution company and a
40 customer operating a municipal or state facility shall provide for
41 payments from such customer for such facility based on a formula to
42 calculate monthly charges that provides for full recovery of any
43 incurred costs, including a return on investment, based on cost-of-
44 service principles pursuant to section 16-19e of the general statutes.
45 Such formula shall be subject to approval by the department after a
46 hearing held in a proceeding or proceedings separate from other
47 distribution rate proceedings. Once approved, such formula and
48 facility-specific charges may be adopted and included in each
49 arrangement. Monthly charges may be designed in a manner that

50 provide for levelized repayment. Energy efficiency and improvement
51 projects shall be eligible for any state or federal incentives, grants or
52 credits, including, but not limited to, those available under programs
53 administered by the Renewable Energy Investment Board, and any
54 proceeds realized from such sources shall be used to offset costs for
55 such facility. Monthly charges may be included in the customer's
56 electric bills for such facility or charged separately.

57 (e) Arrangements between an electric distribution company and a
58 customer operating a municipal or state facility may not exceed ten
59 years, provided, if approved by the department or if the arrangement
60 includes the installation of renewable, emergency or combined heat
61 and power generation, such arrangement may be for up to twenty
62 years.

63 (f) An electric distribution company may fund the municipal and
64 state energy efficiency and improvement program annually at a level
65 up to one per cent of its total annual revenues for the last calendar year
66 as reported to the department. An electric distribution company shall
67 determine the level of annual funding for such program.

68 (g) Commencing in June 2012, and annually thereafter, an electric
69 distribution company providing services under a municipal and state
70 facility energy efficiency and improvement program shall provide a
71 report to the department and the joint standing committee of the
72 General Assembly having cognizance of matters relating to energy, in
73 accordance with section 11-4a of the general statutes, on the costs and
74 savings associated with such program. Any incremental costs
75 associated with such monitoring and reports shall be recovered
76 through the systems benefits charge.

77 (h) Notwithstanding any provision of the general statutes, a state
78 agency responsible for the energy costs of a facility participating in the
79 program may retain twenty-five per cent of the net savings over the
80 first three years of the project for such agency's operating budget and
81 such retention shall not be factored into the state budgeting process for

82 such agency.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section

Statement of Purpose:

To establish a program to identify and deploy energy efficiency and clean technologies at state and municipal buildings.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]